CHINA DEVELOPMENT BANK INTERNATIONAL INVESTMENT LIMITED
國開國際投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1062)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2017

The board of directors (the "**Board**" or "**Directors**") of China Development Bank International Investment Limited (the "**Company**") announces the unaudited interim results of the Company and its subsidiaries (collectively the "**Group**") for the six months ended 30 June 2017 (the "**Period**"). The interim results for the Period have been reviewed by the audit committee and PricewaterhouseCoopers, the auditor of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2017

		Six months ended 30 June	
	NOTES	**2017**	2016
		HK$	*HK$*
		(Unaudited)	(Unaudited)
Change in fair value of financial assets at fair value through profit or loss		**152,662,272**	9,995,533
General and administrative expenses	*5*	**(5,753,727)**	(3,973,313)
Operating profit		**146,908,545**	6,022,220
Finance income		**16,697**	135,876
Finance cost		**(938,830)**	–
Share of results in associates		**274,751**	262,973
Profit before income tax		**146,261,163**	6,421,069
Income tax credit/(expense)	*4*	**414,008**	(39,308)
Profit for the period attributable to owners of the Company		**146,675,171**	6,381,761

	NOTES	Six months ended 30 June 2017 HK$ (Unaudited)	2016 HK$ (Unaudited)
Other comprehensive income/(expense)			
Item that may be subsequently reclassified to profit or loss:			
Exchange differences arising on translation of foreign operation		**1,988,640**	(1,342,021)
Other comprehensive income/(expenses) for the period		**1,988,640**	(1,342,021)
Total comprehensive income for the period attributable to owners of the Company		**148,663,811**	5,039,740
Earnings per share			
– Basic (HK cents)	*6*	**5.05**	0.22
– Diluted (HK cents)	*6*	**5.05**	0.22

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	NOTE	**30 June 2017 *HK$* (Unaudited)**	31 December 2016 *HK$* (Audited)
Assets			
Non-current assets			
Property, plant and equipment		**–**	–
Interests in associates		**69,174,469**	67,112,795
Financial assets at fair value through profit or loss		**1,486,905,086**	1,139,242,814
		1,556,079,555	1,206,355,609
Current assets			
Other receivables, prepayments and deposits		**181,844**	343,809
Cash and cash equivalents		**99,673,319**	108,751,139
		99,855,163	109,094,948
Total assets		**1,655,934,718**	1,315,450,557
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital		**29,022,154**	29,022,154
Reserves		**1,426,502,106**	1,277,838,295
Total equity		**1,455,524,260**	1,306,860,449
Liabilities			
Non-current liability			
Deferred tax liabilities		**1,891,654**	2,325,834
Current liabilities			
Short-term borrowings		**195,000,000**	–
Other payables and accruals		**3,518,804**	6,264,274
		198,518,804	6,264,274
Total liabilities		**200,410,458**	8,590,108
Total equity and liabilities		**1,655,934,718**	1,315,450,557
Net asset value per share	*7*	**0.50**	0.45

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2017

1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). The condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2016, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

In preparing the condensed consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group. While recognising that the Group had net current liabilities of HK$98,663,641 as at 30 June 2017, the Directors are of the opinion that the Group will be able to meet its financial obligations as they fall due for the foreseeable future as (i) China Development Bank International Holdings Limited ("**CDBIH**"), the controlling shareholder of the Company, has indicated its intention to provide financial support for the continuing operations of the Group and the Company so as to enable it to meet its liabilities as they fall due and carry on their business without a significant curtailment of operations in the twelve months from 30 June 2017; and (ii) CDBIH has provided uncommitted revolving credit facilities amounting to US$100,000,000 to the Company which was not yet utilised as at 30 June 2017. Accordingly, the condensed consolidated financial statements have been prepared on a going concern basis.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the condensed consolidated financial statements were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

2. ACCOUNTING POLICIES

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2016, as described in those annual financial statements, except for the estimation of income tax using the tax rate that would be applicable to expected total annual earnings and the adoption of amendments for HKFRSs, effective for the financial year ending 31 December 2017. Amendments to HKFRSs effective for the financial year ending 31 December 2017 do not have a material impact on the Group.

		Effective for accounting period beginning on or after
HKFRS 2	Classification and measurement of share-based payment transactions (amendments)	1 January 2018
HKFRS 9	Financial instruments	1 January 2018
HKFRS 15	Revenue from contracts with customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRIC 22	Foreign currency transactions and advance consideration	1 January 2018
Annual improvements projects	Annual improvements 2014-2016 cycle	1 January 2018
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture	To be determined

The Group has already commenced an assessment of the impact of these new HKFRSs and set out below are those that are expected to have material impact on the Group's accounting policies:

HKFRS 9 "Financial instruments"

HKFRS 9 "Financial instrument" addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling, provided the instrument is not held for trading. If the equity instrument is held for trading, changes in fair value are presented in profit or loss. For financial liabilities there are two classification categories: amortised cost and fair value through profit or loss. Where non-derivative financial liabilities are designated at fair value through profit or loss, the changes in the fair value due to changes in the liability's own credit risk are recognised in other comprehensive income, unless such changes in fair value would create an accounting mismatch in profit or loss, in which case, all fair value movements are recognised in profit or loss.

There are equity investments currently measured at fair value through profit or loss ("**FVTPL**") for the Group. They would likely continue to be measured on the same basis under HKFRS 9. Accordingly, the Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 "Financial Instruments": Recognition and Measurement and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses ("**ECL**") rather than only incurred credit losses as is the case under HKAS 39. While the Group doesn't have material financial assets classified at amortised cost, debt instruments measured at financial value through other comprehensive income, ("**FVOCI**") contract assets under HKFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments or certain financial guarantee contracts. It is considered to have immaterial impact on the Group's financial statements by the new model.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.

3. SEGMENT INFORMATION

The chief operating decision-maker ("**CODM**") has been identified as the Company's executive directors. The Group's principal activity is investment in equity instruments and other financial instruments. For the purpose of resources allocation and assessment of performance, the CODM regularly reviews the Group's investment portfolio, including financial assets at fair value through profit or loss. Information provided to the CODM includes fair value of the respective investees, the Group's financial assets at fair value through profit or loss portfolio are managed and evaluated on a total return basis. No other discrete financial information was provided to the CODM. Therefore the Group has identified only one operating segment – investment holding, and no separate segment information is disclosed.

Management determines the Group is domiciled in Hong Kong, which is the location of the Group's principal office.

The Group's non-current assets (other than financial instruments and property, plant and equipment) are located in the People's Republic of China ("**PRC**").

The Group's revenue was all derived from the Group's operation which is located in Hong Kong.

Given that the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

4. INCOME TAX CREDIT/(EXPENSE)

	Six months ended 30 June	
	2017	2016
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Current tax		
– Withholding tax	**(20,172)**	–
Deferred taxation on withholding tax on undistributed earnings of associates		
– Current period	**434,180**	(39,308)
	414,008	(39,308)

No provision for Hong Kong profits tax has been made in the condensed consolidated financial statements as the Group did not generate any assessable profits arising in Hong Kong during both periods. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

5. EXPENSE BY NATURE

	Six months ended 30 June	
	2017	2016
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Employee benefits expenses		
– Directors' fee	**154,301**	200,000
– Other staff costs (note)		
– Basic salaries and other benefits	**2,389,338**	2,218,298
– Retirement benefits contribution	**141,629**	110,189
Auditor's remuneration		
– Audit services	**–**	–
– Non-audit services	**381,400**	420,000
Investment management fees	**175,000**	175,000
Others	**2,512,059**	849,826
Total general and administrative expenses	**5,753,727**	3,973,313

Note: During the Period, the Group paid services fee of HK$539,887 (six months ended 30 June 2016: HK$556,165) to a personnel services company which provides staff to the Group. Such amounts are excluded from the total staff costs as mentioned above.

6. EARNINGS PER SHARE

	2017	2016
	HK$	*HK$*
	(Unaudited)	(Unaudited)
Profit for the period attributable to owners of the Company	**146,675,171**	6,381,761

	2017	2016
Weighted average number of ordinary shares in issue	**2,902,215,360**	2,902,215,360
Basic earnings per share (in HK cents)	**5.05**	0.22
Diluted earnings per share (in HK cents)	**5.05**	0.22

Basic earnings per share is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the Period.

The calculation of diluted earnings per ordinary share is based on the profit for the period attributable to owners of the Company and the weighted average number of ordinary shares in issue, which is the same for calculating basic earnings per ordinary share above, as the Company did not have any dilutive potential ordinary shares arising from share options for the two periods 30 June 2017 and 30 June 2016.

7. NET ASSET VALUE PER SHARE

Net asset value per share is computed based on the condensed consolidated net assets of HK$1,455,524,260 as at 30 June 2017 (31 December 2016: HK$1,306,860,449) and 2,902,215,360 ordinary shares in issue as at 30 June 2017 (31 December 2016: 2,902,215,360 ordinary shares).

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL PERFORMANCE

For the Period, the Group recorded a profit of approximately Hong Kong Dollars ("**HK$**") 146.68 million (six months ended 30 June 2016: approximately HK$6.38 million) which is primarily attributable to the change in fair value of financial assets at fair value through profit or loss of HK$152.66 million (six months ended 30 June 2016: HK$10.00 million) netted off by the general and administrative expenses of HK$5.75 million (six months ended 30 June 2016: HK$3.97 million) incurred during the Period.

The Group's non-current assets (other than financial instruments and property, plant and equipment) are located in the People's Republic of China (the "**PRC**"). For the Period, the interest income was HK$0.02 million (six months ended 30 June 2016: HK$0.14 million). The Group's gain in fair value of financial assets at fair value through profit or loss for the Period amounted to HK$152.66 million (six months ended 30 June 2016: HK$10.00 million) which were attributable to the Group's investments in Wacai, G7, Spruce, Best Logistics, PG Investment and Jinko Power (defined as below). The general and administrative expenses of the Group for the Period were HK$5.75 million (six months ended 30 June 2016: HK$3.97 million), mainly resulted from the increase in legal and professional fees incurred during the Period. The Group's net asset value increased to HK$1,455.52 million as at 30 June 2017 (31 December 2016: HK$1,306.86 million), with earnings per share of HK5.05 cents (six months ended 30 June 2016: HK0.22 cents).

LIQUIDITY AND FINANCIAL RESOURCES

It is the Group's policy to adopt a prudent financial management strategy. The Group's treasury policies are designed to maintain a suitable level of liquidity facilities and minimise financial risks in order to meet operation requirements and grasp investment opportunities. As at 30 June 2017, the cash and bank balance of the Group was HK$99.67 million (31 December 2016: HK$108.75 million). Almost all the retained cash was denominated in United States Dollars and Hong Kong Dollars and was placed in major banks in Hong Kong. As the Hong Kong Dollar and United States Dollar are pegged with each other, the Group's exposure to exchange fluctuations is considered minimal. The Board believes that the Group still maintains a healthy financial position as at 30 June 2017. As at 30 June 2017, the Group had borrowings of HK$195.00 million (31 December 2016: Nil). As at 30 June 2017, the Group's debt-to-equity ratio (calculated as the short-term borrowings to the total shareholder's equity) was approximately 0.13 (31 December 2016: Nil), putting the Group in an advantageous position to pursue its investment strategies and grasp investment opportunities.

The Directors have given careful consideration to the future liquidity of the Group. While recognising that the Group had net current liabilities of HK$98,663,641 as at 30 June 2017, the Directors are of the opinion that the Group will be able to meet its financial obligations as they fall due for the foreseeable future as (i) China Development Bank International Holdings Limited ("**CDBIH**"), the controlling shareholder of the Company (the "**Shareholder**"), has indicated its intention to provide financial support for the continuing operations of the Group and the Company so as to enable it to meet its liabilities as they fall due and carry on their business without a significant curtailment of operations in the twelve months from 30 June 2017; and (ii) CDBIH has provided uncommitted revolving credit facilities amounting to US$100,000,000 to the Company which was not yet utilised as at 30 June 2017. The management will closely monitor the net current liability position and arrange financing from external banks and the controlling Shareholder accordingly.

CAPITAL STRUCTURE

There is no change to the Group's capital structure for the Period.

CHARGE ON ASSETS, CAPITAL COMMITMENT AND CONTINGENT LIABILITIES

As at 30 June 2017, there were no charges on the Group's assets and the Group had no material capital commitment or any significant contingent liabilities (31 December 2016: Nil). As at 30 June 2017, as far as the Directors are aware, the Group was not involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against the Group.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND ASSOCIATED COMPANIES

During the Period, the Company had not made any material acquisition and disposal of subsidiaries and associated companies.

PORTFOLIO REVIEW

Particulars of the significant investments of the Group as at 30 June 2017 are set out as follows:

Name of investment	Cost as at 30 June 2017 HK$ (Unaudited)	Market value as at 30 June 2017 HK$ (Unaudited)	Market value as at 31 December 2016 HK$ (Audited)	Unrealised gains recognised for the period ended 30 June 2017 HK$ (Unaudited)	Accumulated unrealised gains recognised as of 30 June 2017 HK$ (Unaudited)	Percentage to the Group's total assets as at 30 June 2017 %
Financial assets at fair value through profit or loss						
Jade Sino Ventures Limited ("**Jade Sino**") *(Note 1)*	194,987,520	347,799,551	254,764,255	93,035,296	152,812,031	20
Jolly Investment Limited ("**Jolly**") *(Note 2)*	195,000,000	241,800,000	224,640,000	17,160,000	46,800,000	15
Best Logistics Technologies Limited ("**Best Logistics**") *(Note 3)*	234,000,000	273,234,000	263,874,000	9,360,000	39,234,000	17
Spruce *(Note 4)*	200,460,000	229,760,186	200,951,790	28,808,396	29,300,186	14
G7 Networks Limited ("**G7**") *(Note 5)*	195,000,000	197,833,186	195,012,769	2,820,417	2,833,186	12
Wacai Holdings Limited ("**Wacai**") *(Note 6)*	195,000,000	196,478,163	–	1,478,163	1,478,163	12
	1,214,447,520	**1,486,905,086**	**1,139,242,814**	**152,662,272**	**272,457,566**	**90**

Notes:

1. Jade Sino is an investment holding company incorporated in the British Virgin Islands with limited liabilities. As at 30 June 2017, the proportion of the issued share capital of Jade Sino owned by the Group was approximately 23.81%. As at 30 June 2017, Jade Sino directly held approximately 16.29% of the equity interests of Jinko Power Technology Co., Ltd.* ("**Jinko Power**") (formerly known as Jiangxi JinkoSolar Power Engineering Co., Ltd.* ("**Jiangxi JinkoSolar**")), a company incorporated in the PRC with limited liabilities. Jinko Power and its subsidiaries are principally engaged in developing, building and operating photovoltaic power stations in the PRC. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

2. Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. As at 30 June 2017, the proportion of the issued share capital of Jolly owned by the Group was approximately 23.04%. As at 30 June 2017, Jolly indirectly held approximately 21.74% of the equity interests of Guangzhou P.G. Investment Co., Ltd.* ("**PG Investment**"), a company incorporated in the PRC. PG Investment is a logistics warehouse infrastructure operator in the PRC. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

3. Best Logistics was incorporated in the Cayman Islands with limited liabilities which is principally engaged in express delivery, freight delivery and supply chain service. In June 2017, the name of Best Logistics was changed to BEST Inc. As at 30 June 2017, the proportion of its enlarged issued share capital owned by the Group was approximately 0.96%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

4. Spruce is an investment holding company incorporated in the Cayman Islands and provides supply chain related services including ingredient procurement, warehousing and distribution to small-and-medium-sized restaurants in the PRC. As at 30 June 2017, the proportion of the enlarged issued share capital of Spruce owned by the Group was approximately 1.51%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

* *for identification purpose only*

5. G7 is a technology leader in the logistics sector in the PRC. Its services span all aspects of fleet management including order processing, short/long haul visibility, asset tracking, dispatch, and route planning. As at 30 June 2017, the proportion of the enlarged issued share capital of G7 owned by the Group was approximately 6.85%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

6. Wacai is a leading online comprehensive financial planning and wealth management platform in the fin-tech industry in the PRC. As at 30 June 2017, the proportion of the enlarged issued share capital of Wacai owned by the Group was approximately 3.59%. No gain or loss on disposal was recorded during the Period. No dividend was received during the Period.

UNLISTED INVESTMENTS REVIEW

The Company has been committed to identifying and exploring suitable investment opportunities in the logistics industry and has established certain investment layout in areas including, but not limited to, Fin-tech, logistics infrastructure and supply chain services. The transactions below with Wacai, G7, Spruce, Best Logistics, PG Investment and Jinko Power are expected to create investment returns for the Shareholders further promote the Company's overall market advantage in modern service industries such as logistics, consumption and finance.

The Company will proactively leverage the resources of China Development Bank Corporation ("**CDB**") in the areas of agriculture modernisation, logistics infrastructure and microcredit and will fully utilise the Company's extensive knowledge and experience in finance, management and relevant industries to assist Wacai, G7, Spruce, Best Logistics, PG Investment and Jinko Power in enhancing their efficiency, exploring business opportunities, optimising the decision-making and incentive mechanisms and improving corporate governance practices continuously.

Wacai

On 8 April 2017, a wholly-owned subsidiary of the Company had entered into a preferred share purchase agreement (the "**Wacai Investment Agreement**") with Wacai, pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares of Wacai at a consideration of US$25.00 million, representing approximately 3.59% of the enlarged issued share capital of Wacai, and the subscription of the preferred shares of Wacai by the Company has been completed.

As one of the earliest established Fin-tech companies in the PRC, Wacai has now become a leading online comprehensive financial planning and wealth management platform in the industry. In June 2009, Wacai launched the first personal finance bookkeeping mobile application named "Wacai Bookkeeper" in the PRC, and since then gradually evolved into a holistic personal finance platform with products including "Wacai Bao Wealth Management", "Credit Card Manager", "Money Manager" and "Money Town Community". With its devotion to providing one-stop online financial management tools information and advisory services to the mass market, Wacai has developed an ecosystem around personal financial planning, wealth management, credit management, and vertical online discussion forum. Based on the profound understanding of customer needs, user-friendly product design, cutting edge finance technology, and rigorous risk management, Wacai has been providing consistent and high-quality services to over 47.00 million registered users in the past eight years. Wacai is an independent third party of the Company.

G7

On 29 December 2016, a wholly-owned subsidiary of the Company had entered into a convertible preferred share subscription agreement with G7 pursuant to which the Group, as one of the investors, agreed to subscribe for the newly issued preferred shares of G7 at a cash consideration in the amount of US$25.00 million, representing approximately 6.85% of the enlarged issued share capital of G7. The transaction has been completed as at the date of this announcement.

G7 is a leading logistics data service company in the PRC with its business coverage spanning across the PRC and its neighboring countries in Asia. G7 is connected to over 300,000 cargo vehicles of more than 30,000 customers. By installing smart devices on vehicles in the fleet, G7 utilizes the real-time sensing technology to provide data services that span the entire logistic process, to connect the data of every single vehicle, consignor, fleet owner and driver, and thus to improve the efficiency of transport service. Based on the big data of the connected vehicles, G7 cooperates with premium partners from oil distribution, toll roads and bridges, insurance, banking and financial leasing industries to establish a one-stop service platform that integrates primary consumption of fleets. The platform enables safer, more economical, more efficient and more environmentally-friendly logistic services. G7 is an independent third party of the Company.

Spruce

On 24 November 2016, the Company had entered into an investment agreement with Spruce pursuant to which the Company agreed to subscribe for the newly issued convertible preferred shares of Spruce at a cash consideration in the amount of US$25.70 million, representing approximately 1.51% of the enlarged issued capital of Spruce.

Spruce is a holding company incorporated in the Cayman Islands and provides supply chain related services including ingredient procurement, warehousing and distribution to small-and-medium-sized restaurants in the PRC. It is the largest e-commerce platform in terms of gross merchandise volume in the area of supply chain for agricultural products in the PRC. By shortening the distribution process of agricultural products, improving the efficiency of agricultural products supply chain, and establishing large-scale warehousing and distribution system and the fine quality control for the whole process. Spruce is able to provide economic and efficient services for farmers and restaurant customers in the PRC's agricultural products supply chain. Spruce is an independent third party of the Company.

Best Logistics

On 18 January 2016, the Company had entered into a convertible preferred shares purchase agreement with Best Logistics as well as the members of Best Logistics group, the existing holders of the securities of Best Logistics and investors of the new preferred shares of Best Logistics, pursuant to which the Company, as one of the investors of the new preferred shares, agreed to subscribe for certain new preferred shares at a cash consideration in the amount of US$30.00 million, representing 0.96% of the enlarged issued share capital of Best Logistics.

In June 2017, the name of Best Logistics was changed to BEST Inc.

Best Logistics is a leading innovative integrated logistics and supply chain service provider in the PRC. It engages in business including express delivery, freight delivery and supply chain service. Best Logistics, incorporated in the Cayman Islands with limited liabilities, is an independent third party of the Company.

PG Investment

On 15 December 2015, the Company had entered into a share subscription agreement with Jolly and an independent third party of the Company, pursuant to which Jolly agreed to issue an aggregate of 31,449 ordinary shares of Jolly and the Company as one of the investors agreed to subscribe for 7,245 ordinary shares of Jolly at a cash consideration in the amount of US$25.00 million, representing approximately 23.04% of the enlarged issued share capital of Jolly.

Jolly is an investment holding company incorporated in the Cayman Islands with limited liabilities. Jolly indirectly invested in PG Investment, a PRC company. PG Investment is a leading logistics warehouse infrastructure operator in the PRC, whose principal business includes investment, construction and operation of large scale logistics parks, business facilities and exhibition centers. Jolly and PG Investment are both independent third parties of the Company.

Jinko Power

On 29 September 2014, the Company had entered into a share subscription agreement (the "**Jade Sino Subscription Agreement**") with CDBIH and Jade Sino, pursuant to which the Company and CDBIH agreed to subscribe for 11,904 and 13,096 ordinary shares of Jade Sino, representing approximately 23.81% and 26.19% of the enlarged issued share capital of Jade Sino respectively.

The principal asset of Jade Sino was the 13,404 preferred shares of JinkoSolar Power Engineering Group Limited ("**JinkoSolar Power**") out of the total 26,809 preferred shares subscribed on 11 August 2014 by CDBIH. Upon completion of Jade Sino Subscription Agreement, Jade Sino applied the amount of US$52.50 million (equivalent to approximately HK$409.50 million) contributed by the Company and CDBIH to completing the subscription of the remaining 13,405 preferred shares of JinkoSolar Power. The subscription of the remaining 13,405 preferred shares of JinkoSolar Power by Jade Sino was completed on 13 November 2014.

As at 30 June 2017, Jade Sino directly held approximately 16.29% of the equity interests of Jinko Power, a company incorporated in the PRC with limited liabilities.

Beijing Far East

Beijing Far East, an associate of the Group, is a leading industrial precision instrument manufacturer in the PRC. The principal business of Beijing Far East is to manufacture meters and precise measuring instruments. Based on the unaudited management accounts for the Period, Beijing Far East recorded its unaudited consolidated loss approximately Renminbi ("**RMB**") 12.45 million (six months ended 30 June 2016: RMB0.6 million).

EMPLOYEES

As at 30 June 2017, the Company had 7 employees (30 June 2016: 6). The total staff costs of the Group (excluding Directors' fee) for the Period was approximately HK$2.53 million (six months ended 30 June 2016: HK$2.33 million). The Company determines its staff remuneration in accordance with prevailing market salary scales, individual qualifications and performance. Remuneration packages of the Company's employees including basic salary, performance bonuses and mandatory provident fund are reviewed on regular basis. The Company has adopted a share option scheme on 7 February 2005 for the purposes of providing incentives and rewards to eligible participants who have made contributions to the Group.

GEARING RATIO

As at 30 June 2017, the Group had outstanding bank borrowings of HK$195.00 million (31 December 2016: Nil). As at 30 June 2017, the Group's current ratio (current assets to current liabilities) was approximately 0.50 (31 December 2016: approximately 17.42). The ratio of total liabilities to total assets of the Group was approximately 0.12 (31 December 2016: approximately 0.01).

On 3 April 2017, the Company had entered into an uncommitted revolving loan facility agreement (the "**Facility Agreement**") with China Minsheng Banking Corp., Ltd., Hong Kong Branch ("**CMBC HK**") with CMBC HK as lender and the Company as borrower, pursuant to which CMBC HK will provide an uncommitted revolving loan facility to the Company in the amount of up to US$100.00 million (the "**Loan**").

As at 30 June 2017, the Group had drawn down US$25.00 million (equivalent to approximately HK$195.00 million) under the Facility Agreement.

CMBC HK is a licensed financial institution under the laws of Hong Kong and a wholly-owned subsidiary of China Minsheng Banking Corp., Ltd. (listed on the Shanghai Stock Exchange, stock code: 600016, and listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), stock code: 01988). CMBC HK is a third party independent of and not connected with the Company and its connected persons.

EXCHANGE EXPOSURE

Almost all the retained cash was denominated in United States Dollars and Hong Kong Dollars and was placed in major banks in Hong Kong. As the Hong Kong Dollar and United States Dollar are pegged with each other, the Group's exposure to exchange fluctuations is considered minimal.

FUTURE PROSPECTS

The Company has been committed to identifying and exploring suitable investment opportunities in the logistics industry and has established certain investment layout in areas including, but not limited to, logistics infrastructure and supply chain services. Logistics industry is a fundamental and strategic industry which supports the national economic development and is also a key industry which CDB, the ultimate controlling Shareholder supports. The Company will continue to extend its area of investment from its current basis to the enterprises which enhance the efficiency of logistics infrastructure and create investment returns for Shareholders and further promote the Company's overall market strength in modern service industries such as logistics, consumption and finance. The Company will proactively leverage the resources of CDB in logistics infrastructure and microcredit based on its existing logistics network with its extensive industry knowledge and experience in finance and management in order to assist companies in continuously enhancing its efficiency, exploring business opportunities, optimizing the decision-making process and incentive mechanism and improving corporate governance practices.

As a Fin-tech company with steady operation and sustainable operating profits, Wacai has bridged the capital and real economy through the Internet. It not only helps the capital to flow into the real economy more efficiently, but also provides more suitable wealth management means for the ordinary people, successfully reducing the credit cost for small-and-micro enterprises and effectively improving the asset yield for the investors. The business of Wacai is like-minded with the idea of CDB of providing inclusive finance to more small-and-micro enterprises and individuals which is devoted to providing finance service to more small and micro enterprises and individuals. By entering into the Wacai Investment Agreement, the Company will proactively leverage CDB's affluent knowledge and experience in financial areas and cooperate with Wacai closely in asset development and capital cooperation under the framework of "wholesale banks plus retail institution" in order to promote the positive interaction between the finance and real economy jointly.

The Company will continue to actively pursue opportunities to bring the best returns to the Shareholders and pave the way for business growth. The Company anticipates the growth in logistic industry to remain optimistic.

Looking forward, the management believes that the business and operating environment is full of challenges and volatility. Amidst an expectation of a slower growth in the PRC, the market is facing a slowdown in economic growth, and the economic structure has undergone significant changes during the transition from medium term to long term.

INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the Period (30 June 2016: Nil).

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") comprises three members, namely, Mr WANG Xiangfei, Mr SIN Yui Man and Mr FAN Ren Da, Anthony. All members of the Audit Committee are independent non-executive Directors. The chairman of the Audit Committee is Mr WANG Xiangfei, an independent non-executive Director of the Company. The members of the Audit Committee meet regularly to review the financial report and other information submitted and reported to the Shareholders, the system of internal control, and the effectiveness and objectivity of risk management and audit process. The Audit Committee acts in an advisory capacity and makes recommendations to the Board. The terms of reference of the Audit Committee were adopted and revised in 2015. The Audit Committee has reviewed this announcement and the interim report, including the unaudited condensed consolidated interim financial information of the Group for the Period, which has also been reviewed by the Company's auditor, PricewaterhouseCoopers, in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Period.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Throughout the Period, the Directors believe that the Company has complied with all the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of the Listed Issuers (the "**Model Code**") contained in Appendix 10 of the Listing Rules as its own code of conduct regarding the Directors' securities transactions. Having made specific enquiry by the Company, the Directors have confirmed that they have complied with the required standards as set out in the Model Code throughout the Period.

ACKNOWLEDGMENT

On behalf of the Board, I would like to take this opportunity to express our appreciation to the external professionals to provide their professional services to the Group throughout the Period. I would like to thank my fellow Directors for their valuable contribution and the staff of the Company for their commitment and dedicated services throughout the Period. I would like to express our gratitude to our Shareholders for their support to the Group.

PUBLICATION OF INTERIM REPORT

The 2017 interim report will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.cdb-intl.com) and dispatched to the Shareholders in due course.

By Order of the Board
China Development Bank International Investment Limited
BAI Zhe
Chairman

Hong Kong, 10 August 2017

As at the date of this announcement, the Board is comprised of Mr BAI Zhe and Mr ZHANG Jielong as executive Directors; and Mr WANG Xiangfei, Mr SIN Yui Man and Mr FAN Ren Da, Anthony as independent non-executive Directors.